



THOMAS L. GARTHWAITE, M.D.
Director and Chief Medical Officer

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
313 N. Figueroa, Los Angeles, CA 90012
(213) 240-8101

BOARD OF SUPERVISORS

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December 8, 2005

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AMENDMENT NO. 5 TO AGREEMENT NO. H-209084
WITH RICHARD MORRONE, INC., DBA BIO-GRAPH
(1st, 2nd, and 5th Districts) (3 Votes)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Director of Health Services, or his designee, to sign the attached Amendment No. 5 (Exhibit I) to Agreement No. H-209084 with Richard Morrone, Inc., dba Bio-Graph, to extend the term of the Agreement from January 1, 2006 through December 31, 2006, add updated language for Contractor Responsibility and Debarment, add Sub-Contracting language to the Agreement, increase payment rates at LAC+USC Healthcare Network from \$275.00 per day to \$325.00 per day, modify the payment methodology at Martin Luther King, Jr./Drew Medical Center, and increase the payment rates for two procedures and add provisions for the Contractor to supply retinal photography equipment at King/Drew for a maximum contract obligation of \$193,000.
2. Delegate authority to the Director of Health Services, or his designee, to increase the maximum contract sum by up to 25%, not to exceed \$48,250, for the term of the Agreement for additional services as required to assure the continued provision of necessary patient care at each facility.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

Approving this action will allow for the continued provision of ophthalmic diagnostic photography services at Harbor-UCLA Medical Center (H-UCLA), LAC+USC Healthcare Network (LAC+USC), Martin Luther King/Jr., Drew Medical Center (King/Drew) and Olive View/UCLA Medical Center

(OV-UCLA) for a period of twelve months, effective January 1, 2006 through December 31, 2006, while an Invitation for Bids (IFB) solicitation process is conducted by the Department of Health Services (Department).

The increase in the daily rate at LAC+USC will compensate the contractor for increases in the cost to provide services. The contract rate has not been changed since the contract was originally approved in 1998 and the contractor has requested a rate increase at LAC+USC for the extended term.

The modification to the payment methodology at King/Drew will simplify the rate structure by eliminating one cost category and folding that category into two other existing categories. This will bring the rate structure at King/Drew into conformance with the existing rate structure at H-UCLA and OV-UCLA. Although there is no additional cost associated with restructuring the rate structure at King/Drew to make it consistent with H-UCLA and OV-UCLA, the contractor is requesting an increase in the rate for the two procedures. The rates for these two procedures have remained the same since 1998.

The new provision by the contractor of equipment for retinal photography at King/Drew is expected to enhance the quality of patient care services.

The contractor did not request an increase for services provided at Harbor-UCLA and OV-UCLA.

The Department is requesting delegated authority to increase the maximum contract obligation by 25% to address unanticipated increases in the need for these services.

County policy and procedures require the timely submission of contracts for Board approval. However, the agreement was not scheduled for placement on the Board agenda three weeks prior to its effective date, due to protracted negotiations with the contractor.

FISCAL IMPACT/FINANCING:

The maximum obligation of Amendment No. 5, effective from January 1, 2006 through December 31, 2006, is \$193,000. The facility breakdown is as follows: H-UCLA, \$38,000, King/Drew, \$40,000, LAC+USC, \$83,000 and OV-UCLA, \$32,000.

The amount for LAC+USC represents an increase of \$14,000 for the 12-month extension period over the prior year's amount to address an increase requested by the contractor for the cost of doing business during the extended term.

There is a cost increase of \$19,000 at King/Drew resulting from an increase in the rates for two procedure categories, specifically: 1) the rate for processing fluorescein angiography (category A) will increase from \$20.00 per procedure to \$77.50 per procedure, and 2) the rate for the processing of color fundus photography (category D) will increase from \$15.00 per procedure to \$27.50 per procedure as set forth in Paragraph 6 of the attached Exhibit I.

The Department has determined that this Agreement is not a Proposition A agreement and the provisions of Living Wage do not apply. Funds are available in the Fiscal Year 2005-06 Final Budget and will be requested in future fiscal years.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On March 31, 1998, the Board approved an Agreement with Richard Morrone, Inc., dba Bio-Graph effective April 1, 1998 through June 30, 1998, with provisions for five one-year automatic renewals through June 30, 2003.

The Board has subsequently approved four Amendments to extend the Agreement through December 31, 2005. The most recent Amendment No. 4, approved by the Board on December 14, 2004, extended the term from January 1, 2005 through December 31, 2005, for a total maximum obligation of \$158,000.

Amendment No. 5 will extend the term of the Agreement from January 1, 2006 through December 31, 2006 on a month-to-month basis, for a total maximum obligation of \$193,000, 100% net County cost, add required Board language and increase the payment at LAC+USC from \$275.00 per day to \$325.00 per day. At King/Drew, the payment methodology as described above, will be simplified, rates for two procedures will increase, and for the first time the contractor will provide retinal photography equipment. At H-UCLA and OV-UCLA, the budget will remain the same. The contractor did not request an increase for services provided at H-UCLA and OV-UCLA.

Contract monitoring functions will be performed by administrative staff at each facility.

Attachment A provides additional information.

County Counsel has approved Amendment No. 5 (Exhibit I) as to form.

The contractor is in compliance with all Board mandated provisions.

CONTRACTING PROCESS:

The Department did not conduct a survey of potential proposers as mentioned in the December 2, 2004 Board letter as the Department believes that an IFB solicitation process would generate greater interest among possible contractors and would yield more definitive responses than a simple survey. The Department is currently preparing an IFB and anticipates having a new contract in place prior to the end of the extended term.

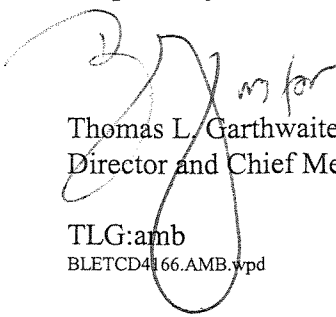
IMPACT ON CURRENT SERVICES (OR PROJECTS):

Board approval will allow for the continued provision of ophthalmic diagnostic photography services at H-UCLA, LAC+USC, King/Drew and OV-UCLA.

The Honorable Board of Supervisors
December 8, 2005
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When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,



Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

TLG:amb
BLETC4166.AMB.wpd

Attachments (2)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

SUMMARY OF AGREEMENT1. Type of Service

Ophthalmic Diagnostic Photography Services at various facilities.

2. Agency Name/Address/Contract Person:

Richard Morrone, Inc., dba Bio-Graph
 P.O. Box 1240
 Studio City, CA 91614
 Attention: Richard Morrone, President
 Telephone: (818) 761-8108

3. Term:

The term of Amendment No. 5 to Agreement No. H-209084 is effective January 1, 2006 through December 31, 2006.

4. Financial Information:

The maximum obligation of Amendment No. 5 from January 1, 2006 through December 31, 2006 at each facility is as follows:

<u>FACILITY</u>	<u>AMOUNT</u>
H-UCLA	\$ 38,000
King/Drew	\$ 40,000
LAC+USC	\$ 83,000
OV-UCLA	<u>\$ 32,000</u>
Total	\$193,000

Funds are available in the Fiscal Year 2005-06 Final Budget and will be requested in future fiscal years.

5. Person(s) Accountable for Program Monitoring:

Hospital Administration at each facility.

6. Approvals:

H-UCLA: Tecla Mickoseff, CEO

King/Drew: Antionette Smith-Epps

LAC+USC: Pete Delgado, CEO

OV-UCLA: Melinda Anderson, CEO

Contracts and Grants Division: Cara O'Neill, Chief

County Counsel: Elizabeth Friedman, Senior Deputy County Counsel

EXHIBIT I

Contract No. H-209084

OPHTHALMOLOGY PHOTOGRAPHY SERVICE AGREEMENT

AMENDMENT NO. 5

THIS AMENDMENT is made and entered into this _____ day
of _____, 2005,

by and between

COUNTY OF LOS ANGELES
(hereafter "County"),

and

RICHARD MORRONE, INC. DBA
BIO-GRAPH (hereafter
"Contractor")

WHEREAS, reference is made to that certain document entitled
"OPHTHALMOLOGY PHOTOGRAPHY SERVICE AGREEMENT", dated
March 31, 1998, and any Amendments thereto, all further
identified as County Agreement H-209084, (hereafter referred to
as "Agreement"); and

WHEREAS, it is the intent of the parties to amend Agreement
to extend its term; and

WHEREAS, said Agreement provides that changes may be made in
the form of a written amendment which is formally approved and
executed by the parties.

NOW, THEREFORE, the parties hereto agree as follows:

1. This Amendment shall become effective January 1, 2006.
2. That Paragraph 1, TERM AND TERMINATION/MAXIMUM

OBLIGATION, of the body of the Agreement be revised as follows:

"1. TERM AND TERMINATION/MAXIMUM OBLIGATION: The term of this Agreement shall become effective on a month-to-month basis, beginning January 1, 2006 through December 31, 2006, unless sooner terminated by County, in whole or in part. During the term from January 1, 2006 through December 31, 2006, the maximum obligation for Contractor's services performed shall be \$193,000 allocated as follows: Harbor-UCLA Medical Center, Thirty-Eight Thousand Dollars (\$38,000), Martin Luther King/Jr., Drew Medical Center, Forty-Thousand Dollars (\$40,000) Los Angeles County+University of Southern California Healthcare Network, Eighty-Three Thousand Dollars (\$83,000), and Olive View-UCLA Medical Center, Thirty-Two Thousand Dollars (\$32,000).

The Director of Health Services, or his/her designee may increase the maximum obligation by up to 25%, not to exceed \$48,250, for the Agreement term for additional services as required to assure the continued provision of patient care at each facility.

3. That Paragraph No. 38, CONTRACTOR RESPONSIBILITY AND DEBARMENT, of the body of the Agreement be revised as follows:

"38. CONTRACTOR RESPONSIBILITY AND DEBARMENT:

A. A responsible Contractor is a Contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to

satisfactorily perform the Agreement. It is the County's policy to conduct business only with responsible Contractors.

B. Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if County acquires information concerning the performance of the Contractor on this or other agreements, which indicates that Contractor is not responsible, County may, in addition to other remedies provided in the agreement, debar Contractor from bidding or proposing on, or being awarded, and/or performing work on County agreements for a specified period of time, which generally will not exceed five years but may exceed five years or be permanent if warranted by the circumstances, and terminate any or all existing agreements Contractor may have with County.

C. County may debar a Contractor if the Board of Supervisors finds, in its discretion, that Contractor has done any of the following: (1) violated a term of an Agreement with County or a nonprofit corporation created by County, (2) committed an act or omission which negatively reflects on the Contractor's quality, fitness, or capacity to perform an agreement with County, any other public entity, or a nonprofit

corporation created by County, or engaged in a pattern or practice which negatively reflects on same;

(3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against County or any other public entity.

D. If there is evidence that Contractor may be subject to debarment, the Department will notify Contractor in writing of the evidence which is the basis for the proposed debarment and will advise Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.

E. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's representative, shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether the Contractor should be debarred, and, if so, the appropriate length of time of the debarment. The Contractor and the Department shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.

F. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

G. If a Contractor has been debarred for a period longer than five years, that Contractor may, after the debarment has been in effect for at least five years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. County, may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that Contractor has adequately demonstrated one or more of the following: 1) elimination of the grounds for which the debarment was imposed; 2) a bona fide change in ownership or management; 3) material evidence discovered after debarment was imposed; or 4) any other reason that is in the best interests of County.

H. The Contractor Hearing Board will consider a request for review of a debarment determination only

where 1) Contractor has been debarred for a period longer than five years; 2) the debarment has been in effect for at least five years; and 3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.

The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

I. These terms shall also apply to subcontractors

or subconsultants of County Contractors.

4. That Paragraph 49, SUBCONTRACTING, be added to the body of the Agreement as follows:

"49. SUBCONTRACTING:

A. The requirements of this Agreement may not be subcontracted by Contractor without the advance written approval of County. Any attempt by Contractor to subcontract without the prior consent of County may be deemed a material breach of this Agreement.

B. If Contractor desires to subcontract, Contractor shall provide the following information promptly at County request:

(1) a description of the work to be performed by the subcontractor.

(2) a draft copy of the proposed subcontract; and any other pertinent information and/or certifications requested by County.

C. Contractor shall indemnify and hold County harmless with respect to the activities of each and every subcontractor in the same manner and to the same degree as if such subcontractor(s) were Contractor employees.

D. Contractor shall remain fully responsible for all performances required of it under this Agreement,

including those that Contractor has determined to subcontract, notwithstanding County approval of Contractor proposed subcontract.

E. County consent to subcontract shall not waive County right to prior and continuing approval of any and all personnel, including subcontractor employees, providing services under this Agreement. Contractor is responsible to notify its subcontractors of this County right.

F. The Director is authorized to act for and on behalf of County with respect to approval of any subcontract and subcontractor employees.

G. Contractor shall be solely liable and responsible for all payments or other compensation to all subcontractors and their officers, employees, agents, and successors in interest arising through services performed hereunder, notwithstanding County consent to subcontract.

H. Contractor shall obtain certificates of insurance, which establish that the subcontractor maintains all the programs of insurance required by County from each approved subcontractor. Contractor shall ensure delivery of all such documents to:

Division Chief
Contracts and Grants
Dept. Of Health Services
313 N. Figueroa St., 6th Floor East
Los Angeles, CA 90012

before any subcontractor employee may perform any work hereunder.

5. That Exhibit A, Paragraph 3, PAYMENT, of the body of the Agreement be revised as follows:

Subject to the "Payment" provisions of the body of this Agreement, County shall compensate Contractor at the rate of Three Hundred Twenty-Five Dollars (\$325) for a work day from 8:30 a.m. - 12:30 p.m. and from 1:30 p.m. to 5:00 p.m., for the services of one photographer per work day.

6. That Exhibit A, Paragraph 5, CONTRACTOR'S PERSONNEL NORMAL SCHEDULE, of the body of the Agreement be revised as follows:

5. CONTRACTOR'S PERSONNEL NORMAL SCHEDULE: Contractor's personnel schedule is from 8:30 a.m. - 12:30 p.m. and from 1:30 p.m. to 5:00 p.m., five (5) days a week, excluding County's normal holidays.

Upon reporting for and leaving work, Contractor's personnel and sub-contractors shall sign in and out on daily time sheets provided by County to Contractor.

7. That Exhibit C, Paragraph 2, PAYMENT AND RATES, of the

body of the Agreement be revised as follows:

2A. Fluorescein angiography @ \$77.50 per procedure.

Contractor shall provide and maintain all necessary retinal photographic equipment. Such equipment will be acceptable to Director.

2B. Deleted in its entirety.

2D. Color fundus photography @ \$27.50 per procedure.

Contractor shall provide and maintain all necessary retinal photographic equipment. Such equipment will be acceptable to Director.

7. Except for the changes set forth in this Amendment, Agreement shall not be changed in any other respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its

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Director of Health Services and Contractor has caused this
Amendment to be subscribed in its behalf by its duly authorized
officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

RICHARD MORRONE, INC. DBA BIO-GRAPH
Contractor

By _____
Signature

Printed Name

Title _____
(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM:
BY THE OFFICE OF THE COUNTY
COUNSEL:

By _____
Senior Deputy County Counsel

APPROVED AS TO CONTRACT
ADMINISTRATION:

Department of Health Services

By _____
Cara O'Neill, Chief
Contracts and Grants Division

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11/03/05